



Federal Farm Credit Banks Funding Corporation

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Via E-Mail

March 4, 2008

Mr. Gary K. Van Meter
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Van Meter:

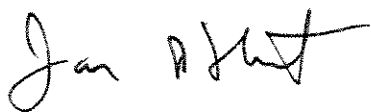
The Federal Farm Credit Banks Funding Corporation, on behalf of the System Banks and Associations, appreciates this opportunity to comment on the advanced notice of proposed rulemaking published in the October 31, 2007 Federal Register concerning possible modifications to the risk-based capital rules for Farm Credit System institutions. The System is supportive of the Agency's regulatory effort to modernize the regulatory capital requirements for System institutions and appreciates the opportunity extended to-date to dialogue with the Agency. We also appreciate the fact that the other banking regulators either have, or are well into the process of, amending and updating their own capital regulations and we believe it would be beneficial to understand how the final regulations may impact the capital requirements of other financial institutions. As you know, the last fundamental review of the System's capital regulations occurred in the mid-1990s, and the System, its stakeholders, its risk management practices and the capital markets have all changed significantly since then. In view of the importance of this undertaking, we would like to request an extension of the comment period to December 31, 2008.

With an extension of the comment period, the System will be able to continue to dialogue with the Agency in order to develop a regulatory capital framework that would permit System institutions to fulfill their legislatively mandated mission to serve farmers, ranchers, cooperatives and other rural businesses well into this century. In order to remain competitive, this regulatory framework also will need to take into consideration key aspects of the nature of capital when viewed from the perspective of the multiple levels of capitalization in the System. The regulatory capital framework would also need to be structured to facilitate the ability of System institutions to efficiently raise third party capital in existing and future capital markets. Additionally, the System and the Agency will benefit from an understanding of the new regulations for other financial institutions that are anticipated to be issued in the coming months.

In requesting this extension, we believe a series of topic-based issue discussions with the Agency over the course of 2008 will provide a framework for all significant capital issues to be thoroughly understood and developed. The topic-based discussions will provide for a forum to discuss the considerations enumerated above and should be of great assistance in developing a clear picture as to the most appropriate capital framework for System institutions that will ensure the System is able to serve agriculture in America for years to come.

We look forward to your response to this request for an extension of the comment period. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie B. Stewart, Jr.", with a stylized, cursive script.

Jamie B. Stewart, Jr.
President and Chief Executive Officer

cc: Presidents and CEOs,
Farm Credit System Banks
Capital ANPR Work Group